

Message Text

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ACTION PM-04

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C O N F I D E N T I A L NEW DELHI 2126

STADIS////////////////////////////////////

FOR LOU NOCENZO FROM DENNIS KUX

PM AND NEA ONLY

E.O. 11652: GDS
TAGS: TECH, IN
SUBJECT: FIRST DRAFT OF THE PRM

1. FROM THE LAND OF THE PNE THOUGHT YOU MIGHT WELCOME THE
FOLLOWING PEANUT GALLERY COMMENTS ON THE FIRST DRAFT OF THE
PRM AS THEY RELATE TO INDIA. THOUGHT THE PAPER OVERALL WAS A
GOOD BEGINNING TO CLARIFYING A HOST OF COMPLEX PROBLEMS.

2. ISSUE PAPER NO. 2 -- SPENT FUEL STORAGE/REPROCESSING.
FACT IS THAT INDIA HAS GAINED STATUS AMONG THE LDCS THROUGH
THEIR 1974 TEST, BUT THERE HAS BEEN A COST IN TERMS OF POORER
INDIAN IMAGE IN THE WEST AND IN A LOSS OF FORWARD MOVEMENT OF
THE INDIAN NUCLEAR POWER PROGRAM BECAUSE OF NUCLEAR IMPORT
RESTRICTIONS. THINK THE INDIAN PROBLEM STATEMENT COULD
USEFULLY BE REVISED: WHAT ABOUT - "INDIA POSES AN ESPECIALLY
DIFFICULT POLICY PROBLEM: IT IS THE ONLY LDC THAT POSSESSES
A NUCLEAR EXPLOSIVE CAPABILITY AND ALSO A COMPLETE
UNSAFEGUARDED FULL FUEL CYCLE AND A GROWING NUCLEAR
ESTABLISHMENT. OUR IMMEDIATE POLICY QUESTION IS WHAT TO DO
ABOUT OUR FUEL SUPPLY CONTRACT FOR THE TARAPUR REACTORS;
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THE BROADER PROBLEMS ARE: WHAT TO DO ABOUT INDIAN TESTING,
A POSSIBLE DECISION FOR A NUCLEAR WEAPONS PROGRAM;
SUBSTANTIAL UNSAFEGUARDED FACILITIES; AND INDIA'S POTENTIAL
AS AN EXPORTER OF SENSITIVE NUCLEAR TECHNOLOGY AND EQUIPMENT.

"WITH REGARD TO TARAPUR AND THE RETENTION IN INDIA OF
US ORIGIN SPENT FUEL, THE INDIANS HAVE AGREED TO RETURN
BACK THE SPENT FUEL, BUT THE COSTS AND LOGISTICAL/TECHNICAL

PROBLEMS ARE CONSIDERABLE. (A SEPARATE PAPER DEALS WITH THE TARAPUR ISSUE.)"

3. WITH REGARD TO PAPER NO. 4 -- NUCLEAR SUPPLIERS ACTIVITIES -- STILL FAIL TO UNDERSTAND WHY WE ARE NOT BETTER OFF BITING THE BULLET ON FULL SCOPE SAFEGUARDS EVEN IF FRANCE HOLDS OUT.

4. THINK WE SHOULD ALSO WEIGH THE PROS AND CONS OF INCLUDING THE INDIANS IN THE LONDON SUPPLIERS GROUP. SINCE THE BASIC RULES ARE NOW FIXED, THEIR WILLINGNESS TO JOIN COULD BE A PLUS SINCE IT MIGHT TIE THEM MORE FIRMLY THAN OTHERWISE WOULD BE THE CASE INTO SUPPLIERS EXPORT RULES. IN ADDITION, THEIR INCLUSION WOULD ALSO REDUCE THE POSSIBILITY FOR THEIR STIRRING A THIRD WORLD ANTI-DC NUCLEAR CLUB OF THEIR OWN. THE PROBLEM, OF COURSE, IS THAT THEY CAN BE SUCH PAINS AND MAY ALSO PROVE SUBSTANTIVELY DIFFICULT. I DO NOT KNOW WHERE ONE COMES OUT, BUT MORE SERIOUS THOUGHT TO THIS POSSIBILITY OF INDIAN INCLUSION SHOULD BE GIVEN.

5. CURRENT POLICY SITUATION: P 14 TALKS INCORRECTLY ABOUT THE INDIAN COAL SITUATION. MANAGERIAL INEFFICIENCY NOT REGIONAL POLITICAL CONSTRAINTS IMPAIR THE DEVELOPMENT OF COAL RESOURCES. OF LATE THE INDIANS HAVE DISCOVERED A GOOD DEAL OF OFFSHORE OIL AND MAY BE SELF-SUFFICIENT IN ENERGY WITHIN A DECADE. THEIR NUCLEAR PROGRAM IS THE PRODUCT OF PLANS OF THE 1950S AND ONE CAN ARGUE THAT COST FACTORS HAVE NOT BEEN WELL THOUGH THROUGH. A STUDY OF THE INDIAN ENERGY SITUATION WOULD BE EXTREMELY USEFUL. HOWEVER, IF WE

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WANT THIS PUSHED WE SHOULD COME UP WITH THE FUNDING.

6. NEAR TERM ISSUES -- NO TROUBLE WITH MATERIAL ON PG. 9 RE INDIA ALTHOUGH I GATHER THAT ERDA IS LESS THAN ECSTATIC ABOUT ACDA'S FLOATING FUEL STORAGE CONCEPT. PAGE 22 - THIS SORT OF ATTITUDE COULD BE CONSIDERED A SORT OF PUNITIVE ARROGANCE - WE HAVE THE BOMB BUT GOD HELP OTHER BASTARDS IF THEY GET IT - IS HARDLY CONDUCTIVE TO DEVELOPING A POSITIVE ATTITUDE AMONG LDCS.

7. YOU PERHAPS HAVE GONE THROUGH THE FIRST FULL DRAFT OF THE TARAPUR PAPER. IT SEEMS GENERALLY IN LINE WITH THE PRM, BUT UNTIL THE CONCLUSIONS OF THE PRM BECOME CLEARER IT IS A LITTLE HARD TO KNOW HOW ONE COMES OUT ON TARAPUR SPECIFICS. IF ONE HAS AS A WORKING ASSUMPTION THAT WE WILL NOT TAKE A DISCRIMINATORY STANCE TOWARD INDIA, IE., REQUIRE FULL SCOPE SAFEGUARDS OF THE INDIANS BUT NOT OF OTHERS.

8. HAPPY NEXT DRAFT.

SCHNEIDER

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Message Attributes

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